

Comparison of Big Rivers' First Revised Sheet No. 71 against Original Sheet No. 71

16. ENVIRONMENTAL SURCHARGE:

Applicability:

To all Big Rivers Electric Corporation's ("Big Rivers") Members.

Availability:

The Environmental Surcharge ("ES") is a mandatory rider to all sales by Big Rivers to its Members, including Base Energy sales to the Smelters under the two Wholesale Electric Service Agreements each dated as of July 1, 2009, between Big Rivers and Kenergy with respect to service by Kenergy to the Smelters, but excluding (i) Supplemental and Back-Up Energy sales to the Smelters under those two agreements, and (ii) Backup Power Service and Energy Imbalance Service to Kenergy for Domtar Paper Company, LLC (in the aggregate, "Jurisdictional Sales").

Rate:

The ES shall provide for monthly adjustments based on a charge per kWh equal to the difference between the environmental compliance costs in the base period and in the current period based on the following formula:

$$\text{CESF} = \text{Net } \underline{\text{Jurisdictional}} \text{ E(m)} / \underline{\text{Jurisdictional}} \text{ S(m)}$$

$$\text{MESF} = \text{CESF} - \text{BESF}$$

MESF = Monthly Environmental Surcharge Factor

CESF = Current Environmental Surcharge Factor

BESF = Base Environmental Surcharge Factor of \$0.00000/kWh.

Where E(m) is the total of each approved environmental compliance plan revenue requirement of environmental costs for the current expense month and S(m) is the kWh sales for the current expense month as set forth below.

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Definitions:

(1) $E(m) = OE - BAS + (\text{Over}) \text{ Under Recovery}$

Where:

- (a) OE represents the Monthly Pollution Control Operating Expenses, defined as the operating and maintenance expense and emission allowance expense of approved environmental compliance plans; and
- (b) BAS is the net proceeds from By-Products and Emission Allowance Sales, and;
- (c) ~~(Over) or Under recovery amount as amortized from prior six Month period.~~

(2) Total E(m) is multiplied by the Jurisdictional ~~System~~ Allocation Ratio to arrive at Net Jurisdictional E(m). The Jurisdictional ~~System~~ Allocation Ratio is the ratio of the kWh Jurisdictional Sales to ~~Member Systems to~~ which the Surcharge ES will be applied, ~~ending with for~~ the current expense month, divided by the sum of kWh of (i) sales to Jurisdictional Sales, (ii) off-system sales, and (iii) Supplemental or and Back-Up sales to the Smelters supplied from Big Rivers' generation resources during the month, and (iv) Backup Power Service and Energy Imbalance Service to Kenergy for Domtar Paper Company, LLC for the current expense month.

(3) Jurisdictional E(m) is adjusted for Over/(Under) Recovery and, if ordered by the Public Service Commission, a Prior Period Adjustment to arrive at Net Jurisdictional E(m).
~~Jurisdictional sales S(m) is the kWh sales for Big Rivers for the current expense month.~~

(4) The current expense month (m) shall be the second month preceding the month in which the ~~Environmental Surcharge ES~~ is billed.